

Superseded 5/10/2016

57-19-26 Exemptions.

- (1) Unless entered into for the purpose of evading the provisions of this chapter, the following transactions are exempt from registration:
 - (a) isolated transactions by an owner of an interest in a project or by a person holding such an owner's executed power of attorney;
 - (b) an offer or sale by a governmental entity; and
 - (c) the resale of an interest that is:
 - (i) acquired:
 - (A) by the developer who initially registered the project or by the managing association of the project; and
 - (B) through a foreclosure, quitclaim deed, deed in lieu of foreclosure, or equivalent transfer;
 - (ii) not offered as part of a project that includes one or more interests that are unregistered or have been registered by a different developer or as part of a different project; and
 - (iii) closed after the developer or managing association provides a purchaser the disclosures required by Section 57-19-11 and the right to rescind required by Section 57-19-12.
- (2) After a resale by a developer or managing association that is claimed to be exempt under Subsection (1)(c), the division retains jurisdiction to:
 - (a) investigate a complaint regarding the resale; and
 - (b) if applicable, take an administrative action against the developer or managing association on the basis of unprofessional conduct, as provided in Section 57-19-13.
- (3)
 - (a) The director may, by rule or order, exempt any person from any or all requirements of this chapter if the director finds that the offering of an interest in a project is essentially noncommercial.
 - (b) The offering of one or more interests in a project that has a maximum of 10 interests is considered essentially noncommercial.